Labour Market Bulletin

Manitoba

May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Manitoba, including the regions of Winnipeg, Northern Manitoba and Southern Manitoba.

OVERVIEW

Employment in Manitoba decreased last month (-1,100), yet demonstrated nominal growth (+2,900) compared to the same time last year.[1] In the past month, full-time employment in Manitoba increased by 3,200 (+0.6%), while part-time employment decreased by 4,300 (-3.3%).[2] Employment in the public sector decreased last month to 162,000 (-1.5%), due in part to a significant decline in health care and social services (-1,900). Meanwhile, the private sector increased to 392,500 (+0.5%), and self-employment continued its decline for the second month to 91,700 (-0.8%).[3]

According to most recent data, hourly-paid Manitobans worked an average of 29.6 hours per week in March 2018, placing fifth amongst the provinces and territories in the W-T Region. Compared to March 2017, average weekly earnings increased to $931.47 (+2.4%).[4] Average weekly earnings could edge higher, as Manitoba's minimum wage increases by $.20 to $11.35 per hour on October 1, 2018.[5]

Unemployment

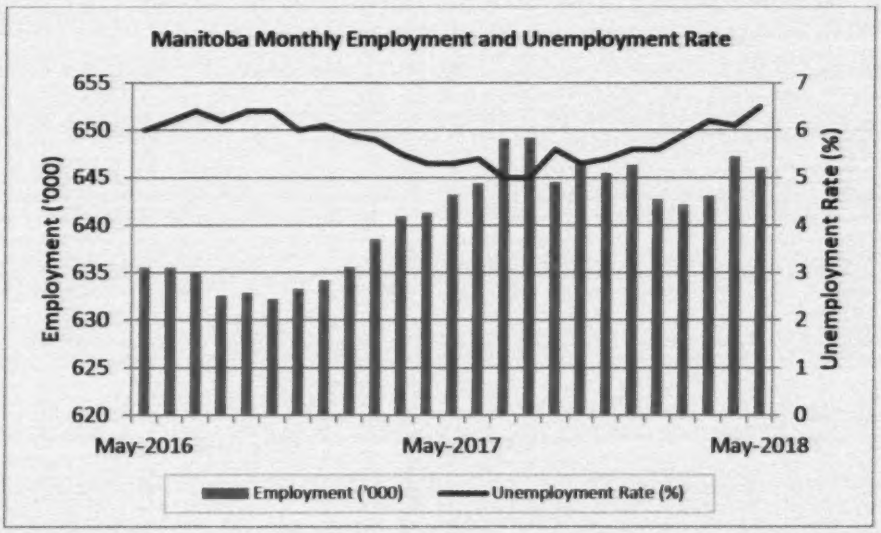
Last month, Manitoba's unemployment rate increased to 6.5%, and unemployed Manitobans are unlikely to find relief over the next few months as international pressure increases on Manitoba's economy. Manitoba's labour market is facing increasing uncertainty as North American Free Trade Agreement negotiations remain unresolved, and Manitoba industries are now subject to Canada-wide tariffs of 25% on steel and 10% on aluminum by the United States. Additionally, as other countries retaliate against U.S. tariffs on food products, Manitoba's agriculture industry, which is highly integrated with the U.S., is likely to suffer as well.[6,7,8]

Manitoba Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	1,023.7	1,022.7	1,012.0	1.0	0.1	11.7	1.2
Labour Force ('000)	691.0	689.5	678.9	1.5	0.2	12.1	1.8
Employment ('000)	646.1	647.2	643.2	-1.1	-0.2	2.9	0.5
Full-Time ('000)	520.2	517.0	523.9	3.2	0.6	-3.7	-0.7
Part-Time ('000)	126.0	130.3	119.2	-4.3	-3.3	6.8	5.7
Unemployment ('000)	44.9	42.3	35.8	2.6	6.1	9.1	25.4
Unemployment Rate (%)	6.5	6.1	5.3	0.4	-	1.2	-
Participation Rate (%)	67.5	67.4	67.1	0.1	-	0.4	-
Employment Rate (%)	63.1	63.3	63.6	-0.2	-	-0.5	-

Note: Totals may not add due to rounding

Source: Statistics Canada – Table 14-10-0287, formerly CANSIM 282-0087



Last month, the unemployment rate for those aged 15-24 increased by 1.0 percentage points to 12.9%. However, the unemployment rate for those aged 25 years and older remained relatively unchanged at 5.3%. Compared to last year, the rate of youth unemployment increased by nearly 2.0 percentage points, and the unemployment rate for 25 years and older increased by 1.1 percentage points. The sudden jump in the youth unemployment rate is likely due in part to last month's significant decline in accommodation and food services (-1,200) and trade (-1,400), which are each major employers of youth.[9]

Since May 2017, the unemployment rate for men 25 years and over grew by 1.2 percentage points to 5.6%, exceeding that of women of the same age group (+0.9 percentage points).

Manitoba Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018 (%)	April 2018 (%)	May 2017 (%)	Monthly Variation (% points)	Yearly Variation (% points)
Total	6.5	6.1	5.3	0.4	1.2
25 years and over	5.3	5.0	4.2	0.3	1.1
Men - 25 years and over	5.6	5.5	4.4	0.1	1.2
Women - 25 years and over	4.9	4.5	4.0	0.4	0.9
15 to 24 years	12.9	11.9	11.0	1.0	1.9
Men - 15 to 24 years	15.9	14.1	10.8	1.8	5.1
Women - 15 to 24 years	9.7	9.6	11.3	0.1	-1.6

Note: Totals may not add due to rounding

Source: Statistics Canada – Table 14-10-0287, formerly CANSIM 282-0087

EMPLOYMENT BY INDUSTRY

Manitoba's economy was already expected to decline in the short-term, due in part to a decline in mining and construction activity, and continued reduction in government spending.[10] However, with recent protectionist tariffs on steel and aluminum by the U.S., and Canada's retaliatory response, there is now the risk of an escalating trade dispute.[11] A prolonged trade dispute with the U.S. would increasingly hurt Manitoba's economy, particularly the province's leading export industries, manufacturing and agriculture.[12]

Manitoba's goods-producing sector employed 4,800 (-3.1%) less workers compared to the same time last year. The employment losses were significant in construction (-4,200), and utilities (-2,200). Over the same period, there was moderate growth in agriculture (+3,300).

Over the next year or two, the construction industry may experience lower than expected growth as Winnipeg's anticipated SkyCity Centre residential tower is no longer considered viable, and construction of the Manitoba-Minnesota Transmission line in the Southeast region has been further delayed.[13,14]

Manitoba Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2018	April 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	646.2	647.3	643.2	-1.1	-0.2	3.0	0.5
Goods-producing sector	147.6	149.2	152.4	-1.6	-1.1	-4.8	-3.1
Agriculture	26.8	26.8	23.5	0.0	0.0	3.3	14.0
Forestry, fishing, mining, quarrying, oil and gas	6.2	6.7	7.1	-0.5	-7.5	-0.9	-12.7
Utilities	7.1	7.2	9.3	-0.1	-1.4	-2.2	-23.7
Construction	44.7	46.2	48.9	-1.5	-3.2	-4.2	-8.6
Manufacturing	62.8	62.2	63.5	0.6	1.0	-0.7	-1.1
Services-producing sector	498.6	498.0	490.8	0.6	0.1	7.8	1.6
Trade	88.0	89.4	91.5	-1.4	-1.6	-3.5	-3.8
Transportation and warehousing	38.1	37.6	36.5	0.5	1.3	1.6	4.4
Finance, insurance, real estate and leasing	36.7	36.0	36.9	0.7	1.9	-0.2	-0.5
Professional, scientific and technical services	28.2	28.3	28.0	-0.1	-0.4	0.2	0.7
Business, building and other support services	19.9	18.8	18.9	1.1	5.9	1.0	5.3
Educational services	52.7	53.0	49.6	-0.3	-0.6	3.1	6.3
Health care and social assistance	104.2	106.1	102.0	-1.9	-1.8	2.2	2.2
Information, culture and recreation	24.6	23.3	24.4	1.3	5.6	0.2	0.8
Accommodation and food services	41.6	42.8	42.3	-1.2	-2.8	-0.7	-1.7
Other services	30.8	29.6	27.0	1.2	4.1	3.8	14.1
Public administration	33.8	33.3	33.7	0.5	1.5	0.1	0.3

Note: Totals may not add due to rounding

Source: Statistics Canada – Table 14-10-0355, formerly CANSIM 282-0088

In the past month, employment shrank in the goods-producing sector (-1,600) due to substantial losses in construction (-1,500). Employment remained relatively unchanged in forestry, fishing, mining, quarrying, oil and gas (-500), utilities (-100), and agriculture. The job losses overshadow the small employment gains in manufacturing (+600). Even so, employment in Manitoba's manufacturing industry could be hit this summer should recent U.S. tariffs persist, particularly in the Winnipeg and Interlake regions.

Compared to May 2017, employment within the services-producing sector grew across the province by 7,800 (+1.6%). There was modest growth in educational services (+3,100), other services (+3,800) and healthcare and social services (+2,200). Over the same period, employment decreased in retail and wholesale trade (-3,600).

In the past month, employment growth was led by job gains in information, culture and recreation (+1,300), business, building and other support services (+1,100), and in other services (+1,200). Nonetheless, the job gains were mostly offset by losses in health care and social services (-1,900), trade (-1,400), and accommodation and food services (-1,200). As overall employment in the public sector declined last month, there is continued uncertainty in health care and social assistance after the Winnipeg Regional Health Authority announced the second phase of its restructuring plan to reduce costs and patient wait times.[15]

REGIONAL ANALYSIS

Within the past year, employment grew in all the economic regions of Manitoba, with the exception of the Interlake area. However, the unemployment rate declined only in the Southwest area.

Manitoba Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
Manitoba	643.8	640.4	0.5	6.4	5.4	1.0
Economic Regions						
Southeast	62.0	61.4	1.0	5.3	5.1	0.2
South Central and North Central	55.4	55.0	0.7	3.5	3.3	0.2
Southwest	55.7	55.5	0.4	4.6	5.9	-1.3
Winnipeg	388.8	386.2	0.7	7.1	5.8	1.3
Interlake	45.7	46.8	-2.4	7.9	3.7	4.2
Parklands and Northern	36.2	35.5	2.0	6.5	5.8	0.7

Note: Totals may not add due to rounding

Source: Statistics Canada – Table 14-10-0293, formerly CANSIM 282-0122

Since May 2017, employment within Southeast grew by 1.0%, and the unemployment rate remained relatively unchanged at 5.3%. A potential drought was avoided, as soil moisture within the region improved due to rainfall at the end of May, which should help crop and pasture conditions over the summer months.[16]

The province of Manitoba announced the closure of the Pineland Forest Nursery, near Hadashville. The nursery was deemed no longer viable as a provincial entity, and approximately 8 full-time and 17 part-time/seasonal employees are to lose their jobs by the end of 2018.[17]

Between May 2017 and May 2018, Winnipeg saw employment increase to 388,800 (+0.7%), largely in part to growth in the services-producing sector (+7,600), offsetting job losses in the good-producing sector (-5,000). Since the same time last year, employment growth was predominantly in transportation and warehousing (+2,400), business, buildings and other support services (+2,600) and in other services (+3,600). Over the same period, the unemployment rate grew by 1.3 percentage points to 7.1%, due in part to a decline in construction (-3,100) and manufacturing (-1,200).

After an agreement in principal was signed between the Federal government and Treaty One First Nations, demolition of the Kapyong Barracks are scheduled to begin in early June. Demolitions of the barracks are to be completed over 2 years, after which some of the land will be designated as an urban reserve in 2021.[18]

The Winnipeg Commodity Exchange will be closing this July, as the owner, Intercontinental Exchange Inc., announced it is moving its last futures contracts (canola) to its New York operations. The move will help Canadian canola futures gain access to larger markets. The closing of the exchange should have little impact on Manitoba's finance industry, as two of the fourteen staff will remain in Winnipeg.[19]

GrowForce Holdings Inc. will soon open a new cannabis production facility in Winnipeg later this year as part of its nationwide expansion plans. The 120,000 sq. ft. facility is expected to employ 120 to 150 people once it becomes fully operational, and grow its first crop by Fall of 2018.[20] GrowForce's expansion will become the third company to operate a cannabis production facility within the city.

Compared to May 2017, employment in Parklands and North increased to 36,200 (+2.0%). In response to the anticipated job losses at Vale later this summer, the new Northern Workforce Development Centre at the University College of the North's (UCN) Thompson Campus is offering education and training focused on the regional labour market.[21] Additionally, UCN and Vale Canada Ltd. have signed a Letter of Intent that will enable the centre to offer corporate training opportunities for new Vale employees, as well as re-certification for existing staff[22]

Note: *In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

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For information on the Labour Force Survey, *please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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